

Amend 2 Cal. Code Regs. Section 18404.1 as follows:

**18404.1. Termination of Committees.**

(a) Pre-2001 Committees. Any candidate controlled committee organized for elective state office for an election held prior to January 1, 2001, must be terminated as set forth in 2 Cal. Code Regs. section 18404 no later than December 31, 2002, except candidates who ~~currently, as~~ of February 15, 2002, hold elective state office pursuant to an election held prior to January 1, 2001, may retain one pre-2001 controlled committee, subject to the following:

(1) Candidate controlled committees that have no debts ~~as of the effective date of this regulation~~ must be terminated no later than 9 months after the earliest of the date the candidate leaves office or his or her current term of office ends.

(2) Candidate controlled committees that have debts ~~as of the effective date of this regulation~~ must be terminated no later than 24 months after the earliest of the date the candidate leaves office or his or her current term of office ends.

(b) 2001 and Post-2001 Committees. Candidate controlled committees organized for elective state office for an election held on or after January 1, 2001, must be terminated as set forth in 2 Cal. Code Regs. section 18404 and as follows:

(1) Candidate controlled committees with no net debts outstanding, as defined in 2 Cal. Code Regs. section 18531.6, must be terminated no later than 9 months after the earliest of the date the candidate is defeated, leaves office or the term of office for which the committee was formed ends.

(2) Candidate controlled committees with net debts outstanding, as defined by 2 Cal. Code Regs. section 18531.6, must be terminated no later than 24 months after the earliest of the

1 date the candidate is defeated, leaves office or the term of office for which the committee was  
2 formed ends.

3 (3) Candidates defeated in elections that were held after January 1, 2001, but prior to the  
4 effective date of this regulation shall terminate their committees 9 months from the effective date  
5 of this regulation if the committee has no net debts outstanding, as defined in 2 Cal. Code Regs.  
6 section 18531.6, and 24 months from the effective date of this regulation if the committee has  
7 outstanding debts.

8 (c) On or before termination of the candidate controlled committee, the campaign bank  
9 account associated with that committee must be closed. No further activity, including receipt of  
10 contributions or making of payments, is allowed after the date of the termination of the  
11 committee. Contributions received after the termination of the committee must be returned to  
12 the contributors.

13 (d) Candidates who are elected to an elective state office must terminate any controlled  
14 committees that were formed for any local elections that were held concurrent with or prior to  
15 their election to state office. Such termination shall be pursuant to 2 Cal. Code Regs. section  
16 18404 and shall be no later than December 31, 2002 for committees formed by candidates who  
17 currently hold elective state office pursuant to an election held prior to January 1, 2001, and  
18 within 24 months of the candidate's election to state office if he or she is elected on or after  
19 January 1, 2001.

20 (e) The committee shall give at least 60 days notice of its impending termination to all  
21 creditors to whom it owes outstanding debts. Such notice shall include the date upon which the  
22 committee expects to file its terminating statement of organization.

(f) A committee may submit a request to the Executive Director of the Fair Political Practices Commission for an extension of up to six month's duration in which to comply with the requirements of this section. Such a request shall be submitted to the Executive Director no later than 30 days prior to the original due date for the committee's termination. Requests to renew the extension for additional periods of up to six months must be submitted to the Executive Director no later than 30 days prior to the expiration of the prior extension.

The Executive Director's decision regarding the granting or denial of the extension may be appealed to the Chairman within 10 days of receipt of the denial. The Chairman's decision shall be final, and may not be appealed to the Commission. In denying or granting the request for extension, the Executive Director shall consider the following:

(1) Whether the committee:

(A) Is continuing to receive contributions toward its outstanding debts;

(B) Anticipates receiving contributions in the future toward its outstanding debts; and

(C) Demonstrates the ability to discharge its debts, loans and other obligations; or

(2) Whether the candidate or committee is a party to litigation arising out of his or her candidacy or status as an elected official, or anticipates the filing of such litigation; or

(3) Other good cause shown.

(g) This regulation does not apply to local candidate controlled committees, except as provided in subdivision (d) of this regulation.

NOTE: Authority cited: Section 83112, Government Code.  
Reference: Section 84214, Government Code.